



The CAP and the accession negotiations - a progress report

How can the enlargement of the European Union be made beneficial for both the existing Member States and the countries applying to join? This is the question at the heart of the negotiations on the agricultural aspects of accession, set to start in mid-June for the six first-wave applicant countries.

Negotiations officially began in March 1998 with an initial group of six countries (Estonia, Hungary, Poland, the Czech Republic, Slovenia and Cyprus), as decided at the December 1997 meeting of the European Council in Luxembourg. By the end of the current Portuguese Presidency (end-June), talks will be under way with this "Luxembourg group" on 29 of the 31 chapters of EU legislation they must implement, the two remaining chapters being those on the institutions and "other affairs". On 14 April, the Commission presented the Council with a package of draft European Union common positions on agriculture in preparation of negotiations on this chapter.

As a result of the Helsinki European Council in December 1999, a second round of negotiations was formally launched on 15 February with six more countries (Bulgaria, Latvia, Lithuania, Romania, Slovakia and Malta). No date has so far been set for the "Helsinki group" to discuss agriculture, although the chapters could be negotiated separately for each of the second wave countries once they have made sufficient progress in implementing the relevant legislation. This multi-speed approach, which calls for each applicant country to be judged on its own merits, will allow the countries in the "Helsinki group" to make up the ground they had lost on the first group of applicants in their preparations for accession. In another decision, the Helsinki Council meeting also recognised Turkey's application for membership.

Pulling together

Such is the size of the farming sector in the central and eastern European countries (CEECs) that enlargement will herald a substantial expansion in the agricultural potential of the Union. This potential can be harnessed only gradually, requiring a considerable effort on both sides, from existing and aspirant Member States alike.

The current Member States will need to push through the much-needed reforms of the EU institutions in the Intergovernmental Conference. They must also take on the historic responsibility of helping the applicant

countries to gear up for their assimilation into the CAP when they join the Community. For the first time, the cost of enlargement has been included in the Community's forward budget planning for 2000-06, with the agriculture budget set to rise to €* 3.4 billion by 2006. In addition, an annual budget of €* 520 million over seven years has been earmarked for pre-accession assistance, under the SAPARD (Special Accession Programme for Agriculture and Rural Development – see this Newsletter, issues 14, 19 and 20). What is more, as the Member States apply the CAP reforms in the Agenda 2000 package and cut support prices (in particular for arable crops and beef), this will spur the process of price convergence with the Member States-to-be.

The challenge for the CEECs lies in overcoming structural and social problems in their agricultural sectors, enhancing the competitiveness of their domestic farming and food-processing sectors, developing agri-environmental policies, and transposing Community legislation into national law while also establishing the administrative structures needed to enforce it – all conditions that must be met if the CAP and the European model of agriculture are to be fully implemented in these countries.

A step-by-step process

The question of direct payments to farmers is one that requires more in-depth study, based on detailed information provided by the applicant countries, especially as regards price trends for agricultural produce in the CEECs and in the farming sector as a whole. It also seems expedient to study the possible structural and social implications of these payments for the restructuring that must be carried out in these countries' farming sectors, as well as the relationship between direct payments and the implementation of Community supply-side control measures, such as production quotas. The aim is to ensure a gentle pace of reform that avoids imposing undue strain or imbalance on the CEECs and safeguards market balance in the enlarged Community.

With this in mind, talks are under way into the possibility of introducing a progressive liberalisation of agricultural trade with the CEECs prior to enlargement. Agreements on this issue have been signed with several countries, with the rest expected to conclude similar agreements shortly.

* At 1999 prices

Information measures funded by the EAGGF guarantee section*

On 17 April the Council of agriculture ministers adopted a Regulation – (EC) No 814/2000 – on EAGGF Guarantee Section funding for a consistent, objective and comprehensive information drive on the CAP, aimed at both the Member States and the world outside. The idea is to explain the issues surrounding the CAP, promote the European model of agriculture, keep farmers and other rural interests informed and raise public awareness of the implications and goals of this policy.

Adoption of the Regulation proposed by the Commission reflects the desire to bridge the information gap concerning the CAP (despite it being one of the most important of the integrated policies implemented by the Union) through a targeted information campaign. The Community will be providing part-financing for three types of measure:

- annual programmes, to be run mainly by farmers' or rural development organisations, consumer associations, and environmental protection associations;
- individual projects, to be implemented mainly by the public authorities in the Member States, the media and universities;
- and, finally, activities initiated by the Commission.

For the first two types of measure the Commission

will fund no more than 50% of the eligible costs, though this may rise to 75% in exceptional cases (to be defined in the implementing Regulation).

Projects should involve a mix of presentations, seminars, promotional visits, publications, media events and productions, participation in international events, programmes to facilitate the sharing of experience, etc. They are to be selected directly by the Commission on quality and cost-effectiveness criteria. Measures required by law and those that already benefit from other forms of Community assistance will not be considered. The Commission will be responsible for monitoring and checking the funded measures, using techniques such as on-the-spot inspections and, in particular, sampling methods.

The Commission is currently drafting an implementing Regulation. Project sponsors will be able to submit their proposals to the Commission as soon as this has been adopted and published in the Official Journal. For measures due to start in 2001, a request for project applications will be published before 31 July 2000.

* For more information, you can also consult the following Internet site:
http://europa.eu.int/comm/dg06/grants/capinfo/index_en.htm

In brief

Member States invited to submit their Leader+ programmes

On 14 April the Commission adopted the final text of its Guidelines for the Community Initiative on rural development, Leader+ (for an overview of these, see Newsletter No 16). The Member States have been requested to present their proposals from 18 May 2000, the date the Guidelines were published in the Official Journal (OJ C 139). The text of the Guidelines was changed to take account of amendments suggested by the European Parliament, such as: the expansion of the transnational cooperation measures to include areas outside the Union whose profile fits the Leader+¹ approach; the possibility for Member States to opt to implement the Initiative via either operational programmes or global grants²; and the setting of a five-month deadline for Commission approval of programmes, in the interests of speeding up implementation. To recap, the total Community budget for these programmes under the EAGGF Guidance Section for the 2000-06 period is € 2020 million. The indicative allocations for each Member State (see table in Newsletter No 16) were adopted on 12 May.

Grain legumes scheme amended

The Council of agriculture ministers on 17 April adopted a Regulation - (EC) No 811/2000 - amending a specific area aid scheme for certain grain legumes. The amendment consists of splitting the maximum Community guaranteed area (which, at 400 000 ha, has not changed) between vetches (240 000 ha) and lentils and chick peas (160 000 ha). Since it was introduced, the system of a single maximum guaranteed area system for all these crops had not provided the desired degree of control over land usage, especially on account of the increase in the area under vetches (for use in animal feed). The aid amount within the guaranteed areas remains fixed at € 181/ha. The new Regulation will be applied from the beginning of the 2000/01 marketing year.

- (1) The Community contribution is not, however, intended to cover expenditure incurred in respect of these areas.
- (2) Assistance the implementation and management of which may be entrusted to approved intermediary bodies (see Article 9 of Council Regulation (EC) No 1260/1999).



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